

Honolulu, Hawaii

MAY 01 2009 , 2009

RE: S.B. No. 1223
S.D. 1
H.D. 2
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1223, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HAWAII MADE PRODUCTS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to preserve the credibility of the "Made in Hawaii" label by:

- (1) Prohibiting the use of the phrase "Made in Hawaii" as an advertising or media tool for items unless the items meet specified criteria; and
- (2) Directing the Department of Agriculture (DOA) to convene a working group composed of interested stakeholders to identify labeling issues relating to the Hawaii-made Products Law and propose workable solutions, including solutions for enforcement.



Your Committee finds that the "Made in Hawaii" label is an important designation and should be a clear indication that a product was produced in Hawaii and is substantially composed of materials from Hawaii. Your Committee further finds that preserving the integrity of the "Made in Hawaii" label is important from an economic standpoint as well as to honor the local artisans who keep native traditions alive through art. A meaningful "Made in Hawaii" label benefits local artisans and craftspersons who are currently forced to compete at an unfair disadvantage in the marketplace against unethical producers who unfairly imply that mass-produced, imported, or counterfeit goods are made in Hawaii through labeling or other means. The "Made in Hawaii" label also benefits the tourism industry when high-quality unique goods are presented across the world as examples of Hawaii's culture.

Your Committee further finds that the "Made in Hawaii" label was never intended to function as a barrier to commerce for manufacturers of food and other perishable items that employ many Hawaii residents and use the largest possible amount of locally produced raw materials or ingredients. Accordingly, your Committee finds that it is appropriate to specify that perishable consumer commodities containing ingredients that originate both inside and outside of the State may be identified as Hawaii products as long as at least fifty-one per cent of the wholesale value of the perishable consumer commodity is added by manufacture, processing, or production within the State.

Finally, your Committee finds that the working group created by this measure is intended to serve as a means for the full spectrum of stakeholders to participate in the regulation of made in Hawaii products. Your Committee encourages the members of the working group to consult openly with each other and with other interested parties, including representatives from the counties.

Your Committee has amended this measure by:

- (1) Adding a definition of "craft item";
- (2) Adding a definition of "perishable consumer commodity";
- (3) Clarifying the prohibition on using the phrase "Made in Hawaii" as an advertising tool for craft items that are not manufactured, assembled, fabricated or produced within the State and that have not had at least fifty-one per cent of wholesale value added within the State;



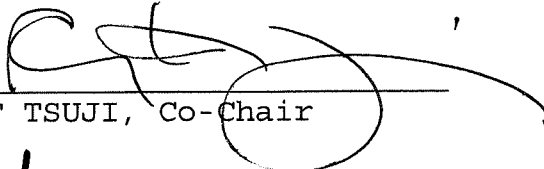
- (4) Adding a provision to prohibit the use of the phrases "Made in Hawaii", "Produced in Hawaii", "Processed in Hawaii", or other misrepresentation of the local origin of perishable consumer commodities through the use of labels or advertising unless the perishable consumer commodity is wholly or partially manufactured, processed, or produced within the State and has had at least fifty-one per cent of its wholesale value added within the State;
- (5) Revising the composition of the working group created by this measure to remove representatives of the counties and to include representatives of Hawaii Farm Bureau Federation, Hawaii Food Manufacturers Association, and Hawaii Food Industry Association;
- (6) Adding a savings clause;
- (7) Changing the effective date to July 1, 2009; and
- (8) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1223, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1223, S.D. 1, H.D. 2, C.D. 1.

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE


ON THE PART OF THE SENATE



 CLIFT TSUJI, Co-Chair



 ROSALYN H. BAKER, Chair



 ROBERT N. HERKES, Co-Chair



 JESSICA WOOLEY, Co-Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 1223, SD 1, HD 2	Date/Time: <i>11:45 4-30-09</i>
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The recommendation of the House and Senate managers is to pass with amendments (CD).

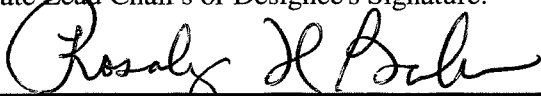

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				TSUJI, Clift, Co-Chr.	✓			
IGE, David Y.				✓	HERKES, Robert N., Co-Chr.	✓			
HEMMINGS, Fred	✓				WOOLEY, Jessica, Co-Chr.	✓			
					WAKAI, Glenn				✓
					MARUMOTO, Barbara C.	✓			
TOTAL	<i>2</i>	<i>-</i>	<i>-</i>	<i>1</i>	TOTAL	<i>4</i>	<i>-</i>	<i>-</i>	<i>1</i>

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
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